



IBIDEN Electronics (Beijing) Co.,Ltd.
Corporate Social Responsibility Report



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CSR Report 2011 of IBIDEN Electronics (Beijing) Co., Ltd.

(Time: April 1st, 2010 — March 31st, 2011)

IBIDEN Electronics (Beijing) Co.,Ltd. 【Company outline】

Organized: Dec 25th, 2000

Ownership: Japanese sole proprietorship

Parent company: IBIDEN CO.,LTD.

Main products: High-density high-layer-count PWBs

Total investment: USD 205,000,000-

Capital amount: USD 73,900,000-

Chairman: MR. Sagisaka Katsumi

General manager: MR. Yuan Benzhen

Plant area: First Factory: 37,500m² / Second Factory: 79,600m²

Number of employee: 3,041

(As of March 31st, 2011)

Add: 15#,Rongchang East Street,Beijing Economic-Technological
Development Area,Beijing China,100176

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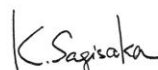




We will implement CSR management to build a trustworthy relationship with all stakeholders

IBIDEN Group's corporate philosophy, the "IBIDEN WAY," states that we contribute to constant social advancement. To achieve this, we will promote CSR management practices in order to act responsibly and build a trustworthy relationship with stakeholders. Our practices based on the four themes: internal control, human resource management, environmental management, and social contribution.

We have set CSR as one of the keys of the company management. While new laws and regulations are being developed rapidly in China, we are operating in compliance with the related laws and regulations. We are actively carrying out environmental protection as preventing global warming, improving the recycling rate of the resources and providing the products manufacturing in the process which continually reduce the environmental load. Meanwhile, we are taking active measures on the new risks from the expansion of the business scope of the Company. We attach an importance to dialogue with employee and strengthen the cultivation of working ability and sense of the employees. And we also undertake responsible corporate management to our stakeholders.

Signature of the Chairman: 



<Conceptual diagram of "implement CSR management">



CSR policy

We aim to enhance our corporate value

- By raising awareness of the need for IBIDEN to act responsibly and honestly in the interest of sustainable operations.

- By fulfilling our responsibilities in a well-balanced manner from an economic, environmental and social standpoint.

- By working in partnership with all of our stakeholders.

Activities shall be carried out widely in the following 4 aspects as internal control, human resource management, environmental management and social contribution, building a trustworthy relationship with all our stakeholders.

Environmental policy >>>

Basic policy

We respect global environment, aim to establish a sustainable environment-friendly enterprise in harmony with Nature. We will reduce the bad effect on global environment generated in our business operation with teamwork.

Environmental policy

1. We prevent pollution and implement cleaner production, minimizing the environmental impact.

- ① to reduce waste generation and emission.
- ② to save resources and energy consumption by 3R (Reduce, Reuse and Recycle) activity.
- ③ to reduce the emission of greenhouse gas by improvement of energy efficiency.

2. We establish and implement the environment management system to improve constantly.

- ① to reduce the negative influence on the environment by reducing chemicals and waste production with the evaluation on product design, using of raw materials, recycling and treatment techniques.

- ② to constantly improve the environment management by the environmental audit.

3. We comply with laws and regulations on environment and other requirements.

- ① to establish and observe the unique environment management standard to meet the environmental requirements of laws and regulations.
- ② to implement compliance audits designedly.

4. We establish sound and environment friendly supply and demand relationship with the contractor.

- ① to purchase and use environment friendly products and services.
- ② to examine and evaluate the customer's requirements on products and jointly select the process and raw materials which reduce environmental load.

5. We make all employees have a better understanding of this policy by the education and internal communication, promoting their awareness of environmental protection.

6. We make this policy public and we make it available any time when requested.

We also make this policy available on our website. <http://www.ibibj.com.cn>

Occupational Safety and Health policy >>>

Basic policy

We minimize the impact of business activities on employees' profession and health with the teamwork in OSH (Occupational Safety and Health). We improve OSH achievement to provide safe and healthy working environment.

OSH policy:

1. We constantly improve OSH management system to guarantee the compliance with related laws and regulations and other requirements.

2. We emphasize the management on activities causing impact on health and safety.

- ① to prevent unconventional accidents.
- ② to take safety measures on equipment causing major accidents.

- ③ to provide comfortable operation environment by improving the working environment.

3. We make better identification on risks and to reduce risks with reasonable measures.

4. We carry out systemic OSH activities and keep improving to realize the target of zero damage, zero illness and zero accident.

5. We make all employees have a better understanding of this policy, and promote their OSH awareness.

6. We also make this policy available on our website. <http://www.ibibj.com.cn>.

【Compliance】

We established "IBIDEN Electronics Beijing Standard for Employee Behavior" (Code of conduct) in 2006 and "Compliance Promotion Procedure" in 2007. We have been promoting the compliance activities with the compliance promotion committee since 2007. By archieving thoroughgoing commitment to "Compliance with domestic and foreign laws and regulations, our articles of incorporation, internal regulations and corporate ethics" and through open and fair corporate activities, we aim to be a company relied on by international society. Taking into consideration the expectations of our stakeholders, the standards' (Code of Conduct) provisions on worker rights were revised in fiscal year 2010.

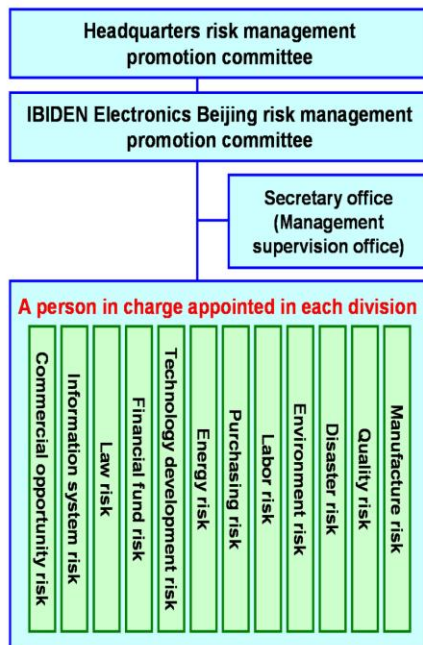
Compliance education

In the compliance training to improve employee's sense, we deepen the employee's understanding by explaining the notes of specific cases and discussing cases.

Compliance reporting system

Each employee can report any corrupt or incompliance activities directly to the compliance reporting box in case of not consulting to the upper level for some reason.

Risk Management Company-wide
Promotional Committee in Headquarter



【Risk management】

Establishment and improvement of risk management system

We undertake risk management activities so that we may continue to reliably conduct our business operations. we are promoting risk management to realize the target of sustainable development. At present, in the dramatic change of our business environment, the risks are increasing with major influence on operation activities or enterprise value. Thus we make regular assessment on the risks facing the company. As an example, we made discussion on infection prevention and on the corresponding strategy in case of any people with infection in N1H1. Besides, in the greatest financial crisis in the century, we managed to control the risks by staff optimization, tightening fixed assets and re-examination on equipment investment, reestablishing the active production system without any waste.

Human resource management

【Constantly improving human resource management and employee satisfaction】

In accordance with philosophy of Human resource management "Human-oriented compliance management", we are constantly improving employee satisfaction, pride and enthusiasm to realize the synchronous development. So we optimize our human resource management system, strengthen the training on employee's skill and management capacity, and encourage employees to participate in the management of the Company and enriching spare time activities.

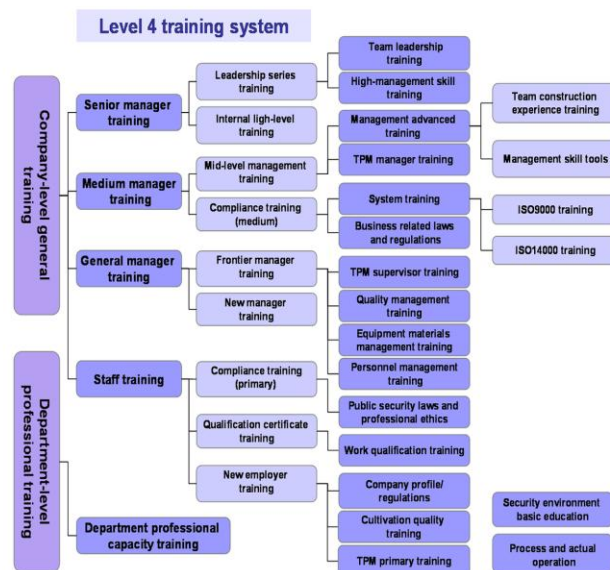
With the adjustment of the operation and the drastic changing of the human resource market, our human resource management system needs timely optimization. In 2010, we, cooperating with famous consultant company, made analysis and optimization on the positions, established the position system which assists the quickly development of human resources. And we set up four promotion channels including management, technology, manufacture and function, expending greatly the promotion space for employees. Employee can improve their own ability and realize the target of growing and development with horizontal series alteration and the promotion in the same series or multiple series. More attracting salary system has been set up in accordance with the company operation, human resource supply, position value and personal performance, thus guaranteeing the reasonable retribution for the work of the staff and constantly increasing the working enthusiasm. We, focusing on the income for employee who are active on front lines, greatly improve their salary according to boost in prices and the adjustment on minimum wage, so we guarantee the honorable work and life of employee. We makes further improvement on personal performance management system and makes clear the guideline for the performance and challenging target for employee by associating personal performance with team performance.

We, focusing on the growing and development of an employee, provide working environment where employee can demonstrate various capabilities and challenging opportunities for employee. We also encourage employee to make constant innovation and exploration without fearing making mistakes and any lost. With the principles of Challenge, Direct Observation and Teamwork, we carry out training on various employees to make constant improvement of their skill and management ability. Training program includes three categories as enterprise philosophy and virtue, management skill and technology system. By means of these training, we cultivate human resources capable of contributing for the development of the Company.

We have encouraged employees to participate in production and business management. Employees belong to the Company, but each of them is the one of leading player in the Company. Employees can make improving suggestions on various aspects of the Company with TPM activities built on

teamwork. The Company reward correspondingly to every employee who makes any suggestion no matter the suggestion is adopted and greater reward to the staff making adopted suggestion. We consult opinions of employee at different job levels in the setting up of systems closely related with employees interest and make decision on the representative opinion, to realize the requirements and interests of employees.

While we take notice of employee's interests and cultivations, we place a high value on creating well-balanced atmosphere between employee's physical and mental. We establish various sports club teams like a football, a basketball, a bowling, badminton and a fitness club to relax employee in the leisure time. We also strengthen a communication and cooperation beyond the daily working team by taking place activities outside work many times. We organize various activities as badminton match, large carnivals and temple fair to fully demonstrate the artistic talent of employee and enrich the activities in leisure time.



【Safety health activities】

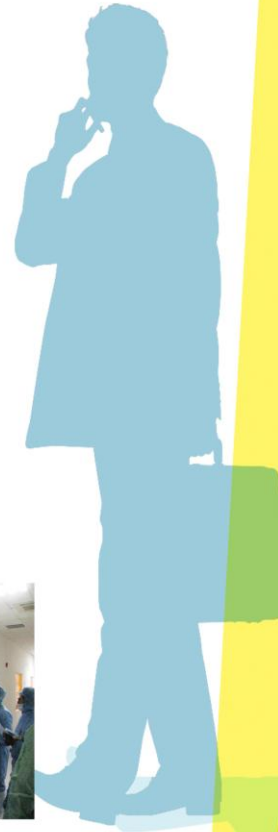
We have been focusing on the safety culture construction and implementing several safety activities to improve the safety sense and realize the target of zero accident in the production. So we won the title of Beijing Safety Culture Construction Model Enterprise in November 2009 for our constant efforts.

We obtained OHSAS18001 certification in 2007, and we were also reviewed and approved as independent systemic certification in 2009 and certificated in March 2010.

On the basis of the obtained achievements, we have set up the OSH target in 2011:

1. zero work accident;
2. less than 2 trigger for work accident in 1 million labor hours;
3. zero occupational disease;
4. 10% less than 2010 in the rate of sick-leave.

Some parts of our safety activity are in followings: Speech contest, knowledge contest, poster selection about the safety of the production and the manufacturing.



▲ "Daily safety" speech contest



▲ OSH knowledge contest



▲ Poster selection

The working accident occurrence rate in 1 million labor hours is 0.37 in 2010. The number of employees had a medical exam are approximately 4,000 person. And we set up shower rooms, nursery rooms and clinic for medical service for employees.



▲ Shower room



▲ Nursery room



▲ Heat prevention medicines for employees in heat environment

Energy conservation and resources recycling efforts



Coexisting with global environment is big issue for whole human family. As a manufacture, the environment protection and energy conservation is one of the social responsibilities and one of the major conditions to realize a sustainable development. We have been setting up the energy reduction target each year and constantly promoting the energy conservation improvement since the foundation. We set up the target to reduce the energy consumption by 10% in 2011, compared with that in 2010.

【Examples of energy conservation improvement】

Electricity saving:

- To reduce the lighting electricity consumption by introducing energy conservation lights.
- To reduce the lighting electricity consumption by improve the lighting circuit.

Gas saving:

- To reduce the air conditioners' load and the gas consumption of the freezers by managing the temperature of the site air conditioners.
- To effectively use the outdoor cool air to cool the water in the air conditioners in stead of freezing of the freezers by introducing the energy conservation mode in winter.
- To reduce the indoor temperature and reduce the gas consumption of the freezers by introducing the energy saving mode in spring and autumn of the new air fans to make effective use of the outdoor cold air.

【Resource recycling effort】

Water saving:

- To save quantities of fresh water by introducing the recycling water from Beijing Economic Technological Development Area.
- To reduce the consumption of the tap water by reusing the recycling water after the treatment.
- To reduce the consumption of fresh water by reusing the steam condensate water.

【Major improvement project: Introduction of recycling water from Beijing Economic Technological Development Area in our Second Factory】

The recycling water was introduced into our Second Factory from the Area in May 2009. The recycling water equipment was upgraded in January 2010. The installation and testing of all recycling water equipment was completed in May 2010. The upgrade of the time extension of the resin tower for fresh water was completed in December 2010.

We are one of the first companies to use recycling water and to use the recycling water in entire production procedure in the Park. The recycling water has account for more than 95% in all water consumption at present. After the introduction of recycling water into resin tower to produce water, the water providing time is extended from 24hr.to 120hr. So we can save various resources to reduce the consumption of chemicals, fresh water and the amount of water liquid for treatment. With this improvement, we reduce the consumption of tap water, bringing about sound social benefits and lower operation cost as well. We are titled as the model to save water consumption in Beijing Economic Technological Development Area by the local government.



▲ Introduction of recycling water to water purification equipment



▲ Introduction of recycling water to cooling tower

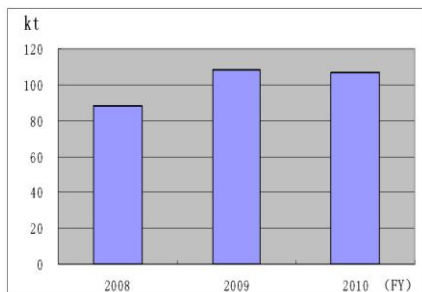
【RoHS Implementation】

We have set up and implemented the green purchasing management system in February in 2011 to strengthen the management on the supply-chain. We also have required products supplied by the suppliers to meet the requirements of RoHS.

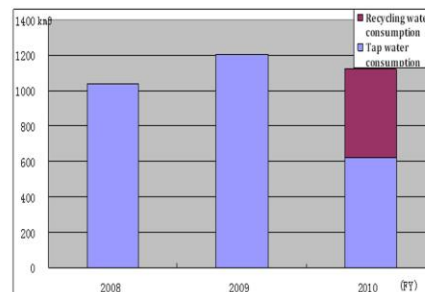


【Environment load related data】

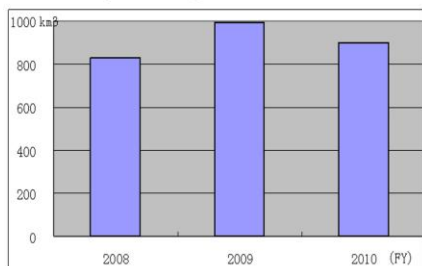
(1) CO2 emission in 2008-2010



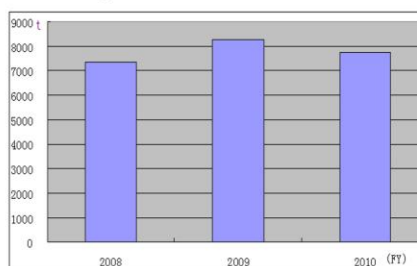
(2) Tap water and recycling water consumption in 2008 -2010



(3) Discharge of drainage in 2008-2010



(4) Waste generation in 2008-2010



(5) Exhausting

Equipment	items	Unit	National standards	Beijing standards	Voluntary standards	Average value	Maximum value
BJS tower	H ₂ SO ₄	(mg/m ³)	45	5	4.5	0.76	2.47
	HCL	(mg/m ³)	100	30	25	2.58	5.26
	NMHC	(mg/m ³)	120	80	70	3.27	8.01
	Toluene	(mg/m ³)	40	25	20	0.04	0.16
Air exhaust	Soot	(mg/m ³)	120	30	25	4.13	9.68
BJS tower	HCL	(mg/m ³)	1.9	1.9	0.9	<0.09	<0.09
Carbon surface discharge port	Phenol	(mg/m ³)	100	20	15	0.10	0.19
Deodorization tower	Ammonia	(mg/m ³)	—	30	25	0.91	1.50
	Hydrogen sulfide	(mg/m ³)	—	5	4.5	0.01	0.01

|| Social Contribution >>>

We carry out some activities on the environment in China with the corporate philosophy of "Harmony with nature".



Environment activities: tree planting

We plant trees in the suburban of Beijing in the consecutive 3 years since 2010. 202 employees of the Company actively participated in the planning 220 trees in the deserted area in 2010. Monument was set up in the tree planting area and we took photos for all employee at the monument after the tree planting.

Environment activities: recycling resources

Since 2010, in the way of providing employee's awareness to the environment protection and the response to calling for energy conservation and emission reduction, we recycle the recyclable resources including waste paper, used books and magazines, newspapers, drinking bottles and cans which we ignored in the past. We make contact to cash with the recycler and the money from the recycling will be used on other social contribution activities.



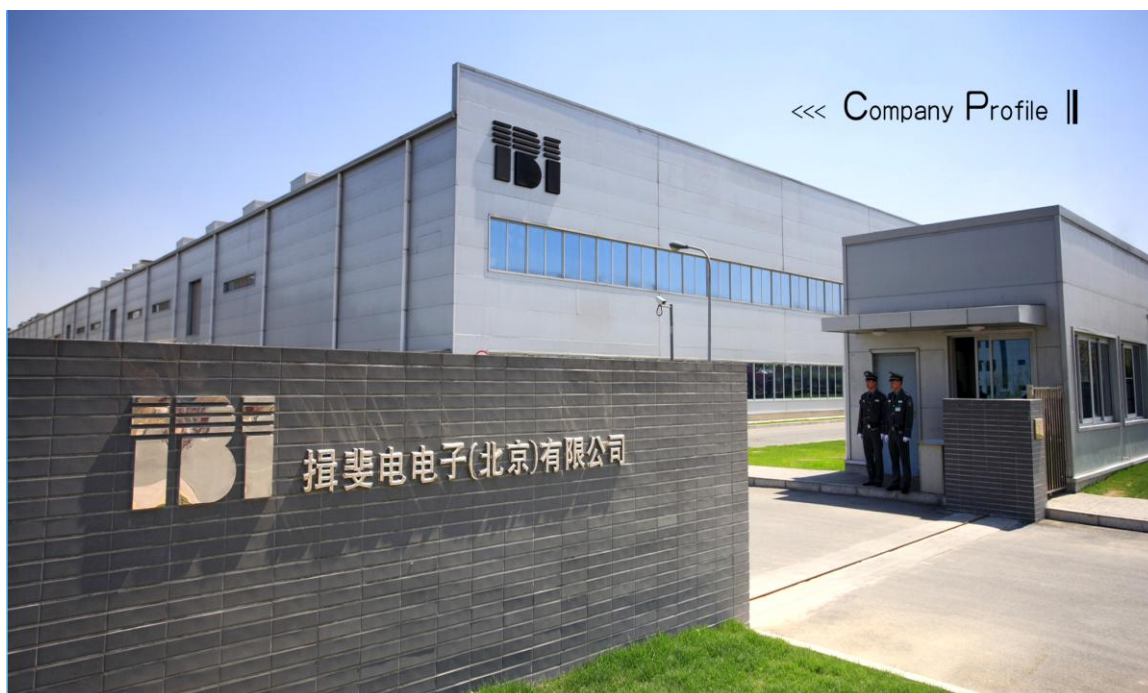
Environment activities: beautification

We organize employees to collect garbage out of the Factory at one noon break each month since 2010 to improve the working environment in and out of the factory and to grow employee's awareness to 5S and CSR.

Social activities: donation

We collected donation from employee and sent to hazarder- stricken areas with the Company's donation in disasters as earthquakes in Sichuan and Qinghai provinces.



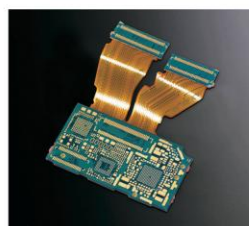


<<< Company Profile ||

【Development】

2000	December	IBIDEN Electronics(Beijing)Co.,Ltd.established
2001	April	Foundation ceremony of First Factory held
2002	April	First Factory completed
	August	The post-processing started
2003	January	The whole-processing started
	July	ISO14001 series certificated
	December	Foundation ceremony of the extension of First Factory held
2004	April	TPM activity started
	September	The extension of First Factory completed
2005	March	ISO9001 series certificated
	June	Foundation ceremony of Second Factory held
2006	September	Production of Second Factory started
2007	March	OHSAS18001 Occupational Health and Safety Assessment Series certificated
	November	First Factory won TPM (Total Productive Maintenance)Excellence Award
2008	February	Phase II equipment investment (-September) of Second Factory instituted
2009	November	High-tech Enterprise Certificated
2010	January	The formal review of Cleaner Production (at First Factory) passed ISO14001 OHSAS18001 series independently certificated
	March	Excellence Award of Safety Production Month of Beijing obtained

【Main Products】



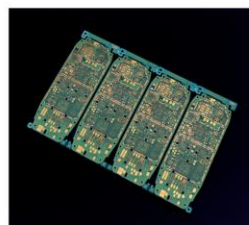
E-FLEX

Rigid-flexible substrates partially using flexible materials. By eliminating a connector, it achieves thinner products and high connection reliability.



FVSS (Free Via Stacked Up Structure)

FVSS is the next generation build-up PWB with full-stacked structure achieved by filling micro-vias with copper.



Build-up Substrates

Laser-formed vias enabling to provide the high-layer count PWBs with extremely dense patterns.

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